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*Office Memorandum* • UNITED STATES GOVERNMENT

TO : Chief, Industrial Division, ORR

DATE: 2 December 1958

FROM : Chief, Manufacturing Sectors Branch, D/I

SUBJECT: Monthly Report for November 1958.

1. Status of Branch Projects:

25X1A9a 30.1535 -- Investment in Light Industry in Communist China - [REDACTED] is making progress on this report. Several sections have been revised and ready for my review.

30.2043 -- Capital Investment in the Producer's Equipment Industry of Communist China - The typing of this report has just been completed. It is now being proofed and I expect to start reading it this week.

25X1A9a 32.488 -- Industrial Investment Policy in East Germany - [REDACTED] is still having difficulty in getting all his data organized. He is to give me a thorough substantive briefing shortly so that I can get a better understanding of his basic problems and help resolve them.

34.894 -- The Determination of Cost and Price in Soviet Machine Building - Much of this report has now been reworked in view of my own comments and [REDACTED] own critical review. Some portions 25X1A9a have not yet been typed.

34.1928 -- European Satellite Trade in Machinery and Transport Equipment, 1950-1957 - Submitted to Division office on 1 December.

34.1930 -- Problems in Soviet Machine Building - A few changes have been made in this report as a result of the 7-Year Plan, otherwise it is ready for my review.

2. Status of Support Projects:

30.1830 - NIS 13A, East Germany - [REDACTED] feels, all things 25X1A9a considered, that the NIS is going fairly well. There is a general improvement in quality as compared to the Polish NIS. The delay in receiving some contributions and the lengthy review process for other contributions is telescoping the project and the usual NIS deadline problems will be encountered.

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25X1A9a 30.1826 -- NIS 26 - USSR - Section 64 - The tempo has picked up considerably. The ERA contributions will be slightly late but the reasons are understandable and if the present schedule is maintained [REDACTED] should have no difficulty in getting them in shape. The military contributions may pose more of a problem. The Navy and Air Force requests for additional time suggest possible difficulties, especially if the contributions need substantial revision.

25X1A9a 10.1803 -- Communist China through 1963 - After initial planning work by [REDACTED] this project has been dormant pending completion of NIS research and his own China project.

25X1A9a 10.2205 -- Outlook for Stability in the European Satellites through 1963 - [REDACTED] has been assigned to this project. He has discussed D/I's contribution with A/E. Although only a limited contribution is desired from D/I it will be necessary for [REDACTED] 25X1A9a to start full-time work on this project soon. It is hoped that he will be relieved of his Division staff responsibilities at an early date.

3. Changes in Estimates: no comment.

4. Relationships with Other Components:

The EIC Subcommittee on Machinery and Equipment is considering an Air Force proposal for a US-USSR exchange in the heavy press field. The Subcommittee discussed the various aspects of technological versus intelligence gain and appointed a working group including a member of ATIC to further explore the proposed exchange and to make appropriate recommendations to the Subcommittee.

5. Future Plans: no comment.

6. Other Problems:

Another flagrant example of inefficient book procurement has come up. [REDACTED] the former Polish NIS Section 64 coordinator, a copy of Volume 4 of the irregular publication Statystyka Polski, Series E, which had been purchased in a Warsaw bookstore last July by one of [REDACTED] research group. Among other things, it gives a detailed breakdown of the Polish industrial labor force which is very much better than that which we used in the NIS. Since March 1957, [REDACTED] had a standing order for all issues of this publication; four or five have been

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published but none has been received. [REDACTED] says that they have four copies on order for air procurement.

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